

KASE WEEKLY

November 23–27,
2020

KASE NEWS

- ▲ KASE's Board approved the [Specification](#) of deliverable futures for the US dollar to tenge rate, [List](#) of trading modes in the foreign exchange market, [Rules](#) for using trading and clearing accounts to conclude transactions, [Formats](#) of clearing reports in the foreign exchange market, amendments to the [Methodology](#) for determining risk parameters of financial instruments, amendments to [Regulations](#) for trading and the operation of the control and security system and amendments to the [Rules](#) for internal money management and paperwork for exchange trading settlements.
- ▲ International bonds US9127964V80 (US_05_2110) of the US Treasury Department [have been included](#) in KASE official list' government securities sector.
- ▲ Bonds KZ2C00007094 (KZIKb33) of Kazakhstan Mortgage Company and bonds KZ2C00007151 (SKKZb25) of Samruk-Kazyna [have been included](#) in KASE official list' main market bonds category.
- ▲ Halyk Savings Bank of Kazakhstan voluntarily [discontinued](#) acting as KASE market-maker on USDKZT_TOD.

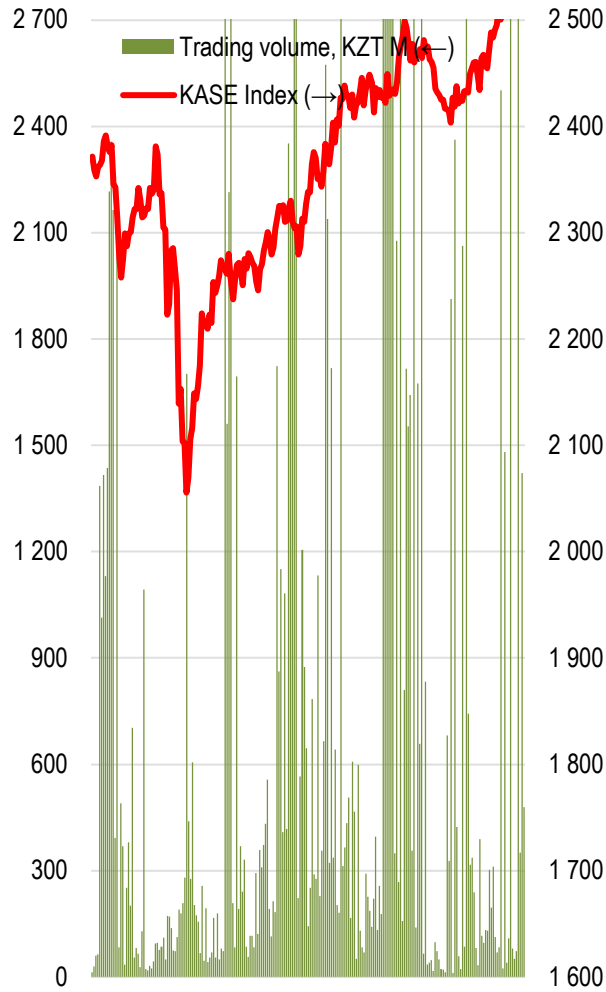
ISSUER NEWS AND ANNOUNCEMENTS

- ▲ The Ministry of Finance of Kazakhstan raised KZT64.5 bn on KASE having placed issue 11 of MEUKAM-108 ([KZKD00000816](#)), issue 12 of MEUKAM-108 ([KZKD00000915](#)) and issue 11 of MEUKAM-120 ([KZKD00000527](#)).
- ▲ Kazakhstan Stability Fund [raised](#) KZT14.7 bn on KASE having placed bonds KZ2C00007037 (KFUSb4) with yield to maturity of 10.85% per annum.
- ▲ 227,473 common shares KZ1C00000744 (KZTO) of KazTransOil [were purchased](#) in a special trading session on KASE at the weighted average price of KZT880.00 per share.
- ▲ Fitch Ratings [upgraded](#) its outlook on ForteBank's ratings.
- ▲ Fitch Ratings [affirmed](#) ratings of Halyk Savings Bank of Kazakhstan and its bonds, and revised its outlook from negative to stable.
- ▲ Fitch Ratings [affirmed](#) ratings of Subsidiary Bank Alfa-Bank and revised its outlook from negative to stable.
- ▲ Fitch Ratings [affirmed](#) ratings of Halyk Finance with stable outlook.
- ▲ Fitch Ratings [affirmed](#) ratings of Subsidiary Bank Sberbank of Russia with stable outlook.
- ▲ Fincraft Resources [paid](#) Y2019 dividends on common shares KZ1C00000553 (SATC).
- ▲ Halyk Savings Bank of Kazakhstan [plans](#) a partial early repayment of international bonds XS0867478124, XS0867573890 (BTASe16).
- ▲ National Company KazMunayGas [announced](#) 9M 2020 financial results.
- ▲ National Atomic Company Kazatomprom [announced](#) financial results for the three and nine months ended September 30, 2020.

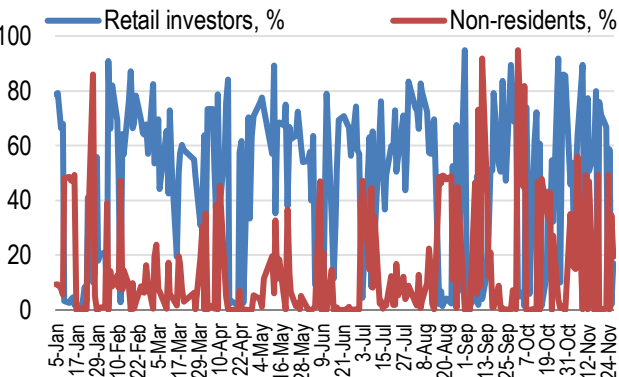


End-of-week KASE index gained 1.32 % to settle at 2,587.10 points. The largest number of deals among index shares was concluded with common shares of Halyk Bank – 1,147 deals. The largest trading volume fell on KAZ Minerals securities – KZT7.1 bn (74.6% of the total volume for the week).

KASE Index shares



Retail investors & non-residents, %



27.11.2020

KASE Index	2 587,10	Trends (%)	
		0,6	5,0
First class of liquidity	Price	Δ 7d	Δ 1m
Bank of America Corporation	12 177,9	5,0	14,6
KazTransOil	909,0	4,8	12,9
Aeroflot	403,2	4,0	7,5
Freedom Holding Corp.	15 300,0	4,0	25,7
Kazakhtelecom	26 131,0	1,7	4,5
Gazprom	1 020,0	0,0	8,6
Kcell	2 730,0	0,0	1,3
Kazakhtelecom, preferred shares	12 668,0	0,0	2,6
VTB Bank	0,2	0,0	0,0
Halyk Savings Bank of Kazakhstan	123,0	-0,0	11,8
KAZ Minerals	3 501,0	-0,1	15,2
KEGOC	1 694,0	-0,2	0,6
NAC Kazatomprom	6 273,0	-0,4	2,3
Sberbank Russia	1 303,5	-0,4	7,6
Bank CenterCredit	214,0	-0,9	-1,8

Note: Index stocks are highlighted in green

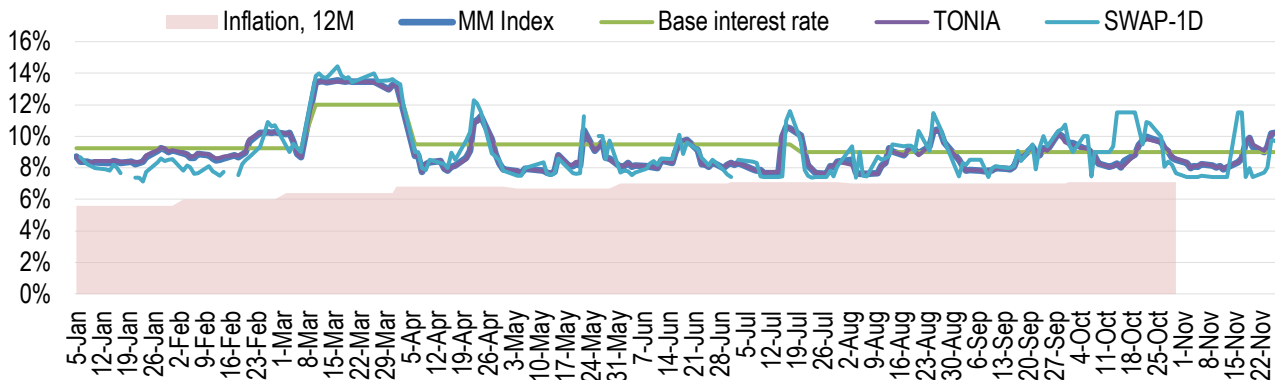
Favorable external environment, namely growing demand for high-yield and commodity assets, as well as a strengthening tenge, had a positive effect on the representative list shares. As half of the index basket went up, KASE Index on Friday hit a fresh 2020 high (maximum since July 3, 2008).

Halyk Bank's common stock quotes were the growth leaders, whose price picked up 5.03% to end at KZT122.99. Fitch Ratings has affirmed Halyk Bank's Long-Term Issuer Default Ratings (IDRs) at 'BB+' and revised the Outlooks to Stable. The revision of the Outlooks and affirmation of ratings on Halyk, ABK and Forte reflects Fitch's expectations that the banks' strong pre-impairment profitability and substantial capital buffers will be sufficient to mitigate the ongoing pressure on their asset quality, stemming from the economic recession, lower oil prices, and negative implications from the spread of COVID-19 on the broader economy. Fitch believes that some aspects of Halyk Bank's credit profile are consistent with a higher rating, therefore Fitch's base case expectation is that Halyk Bank may be upgraded by one notch if the economic environment stabilizes, and its asset quality, earnings and capitalization do not substantially deteriorate in a current economic downturn. The extended report is available [here](#).

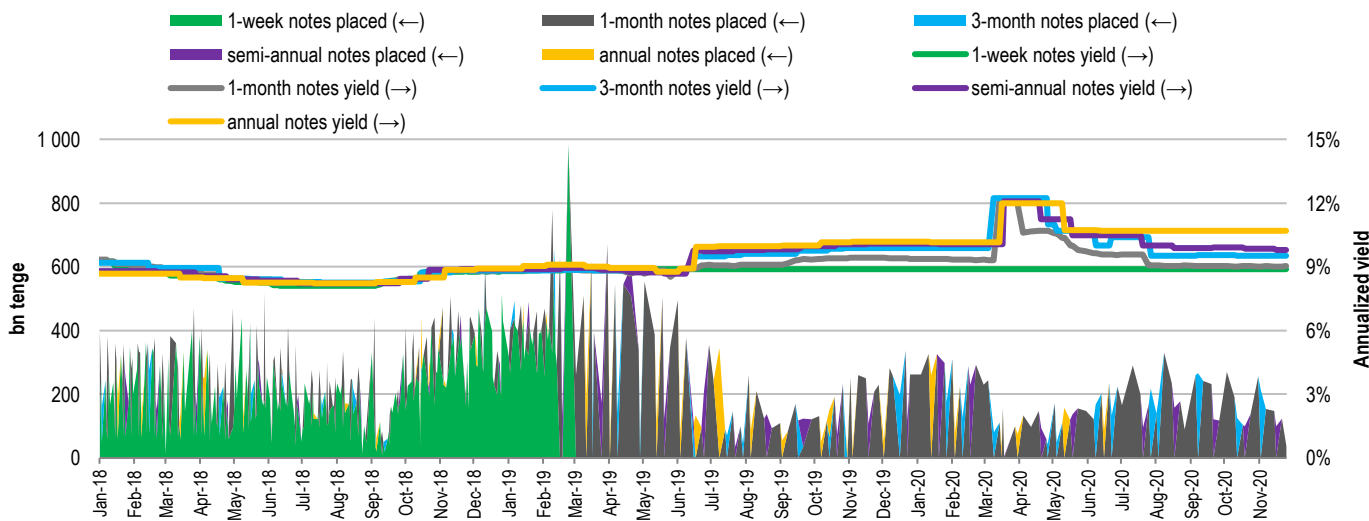
Bank CenterCredit and national atomic company Kazatomprom published their 9M 2020 financial results this week. According to Bank CenterCredit's financial statements in January-September 2020, the bank's net profit finished at KZT12.673 bn, which is a 1.4 times increase compared to the last year. The price of a common share of the bank was down 0.46% and settled at KZT214.02. 9M IFRS net profit of Kazatomprom marked a 10.3% gain and ended at KZT156.634 bn. The company's KZT356.821 bn revenue compared to the same period last year managed a 35.6% advance. According to the document, the higher revenue figures are triggered by the boosted sales volumes compared to the same period last year at the group level, which is explained by seasonality and shipment schedule in 2019 and 2020, a higher spot price for uranium, which had a positive effect on the average sale price, as well as the exchange rate growth. Quotations of the nuclear company indicated a weekly rise of 1.18% in price to settle at KZT6,273.00.

The yield on one-day repo transactions with government securities gained 76 b.p. over the week to end at 10.25% per annum. The tenge borrowing rate against the US dollars picked up 213 b.p. to finish at 9.53% per annum. The average one-day tenge liquidity borrowing volume over the week climbed to KZT309.6 bn (+21.3% against the same indicator of the previous week).

Inflation and interest rates

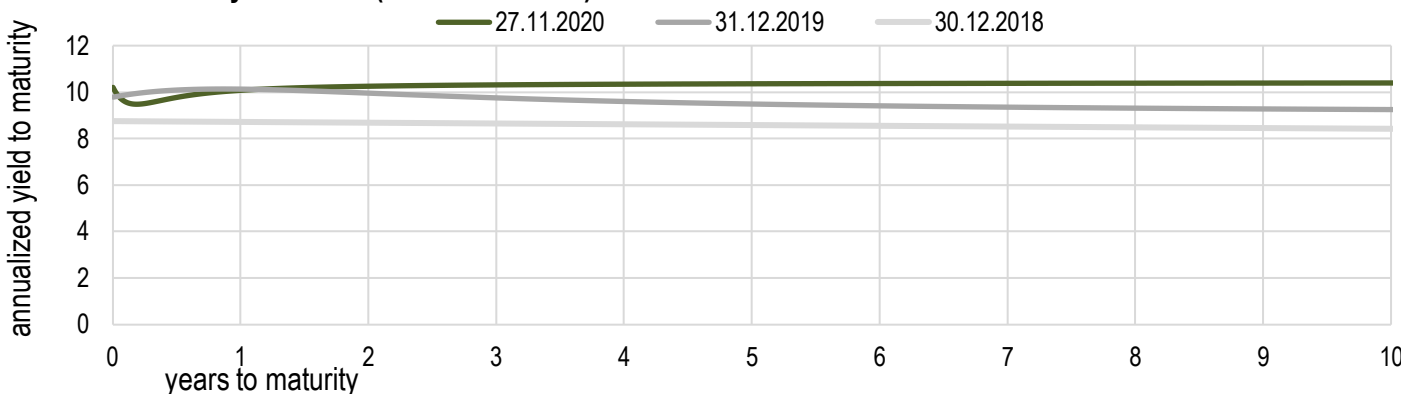


Main Features of National Bank Notes Placements



* weighted average yield on all currency swap transactions with the US dollar.

Risk-free yield curve (non-indexed GS)





During the week, the US dollar rate against the tenge shed KZT4.20 (-0.98%) to settle at KZT423.87. The total trading volume for the week amounted to \$640.5 mln (+25.3% against the same indicator of the last week). 2,042 was the total number of transactions for purchase and sale of the US dollar (+473 on the previous week). The maximum price was KZT426.91 per US dollar, the minimum was KZT422.10.

The tenge tends to strengthen against the US dollar, Russian ruble and Chinese yuan amid growing optimism around progress in the development of vaccines against COVID-19, as well as investors' appetite for risky assets. Traders are optimistic about the upcoming OPEC+ conference scheduled for December 1. The agenda of the meeting proposes to keep the existing oil production quotas for another 3-6 months. In addition, the market awaits new monetary measures to support the economies of the US and the Eurozone hit by the crisis, as the minutes of the latest meetings of the FRS and the ECB were published this week.

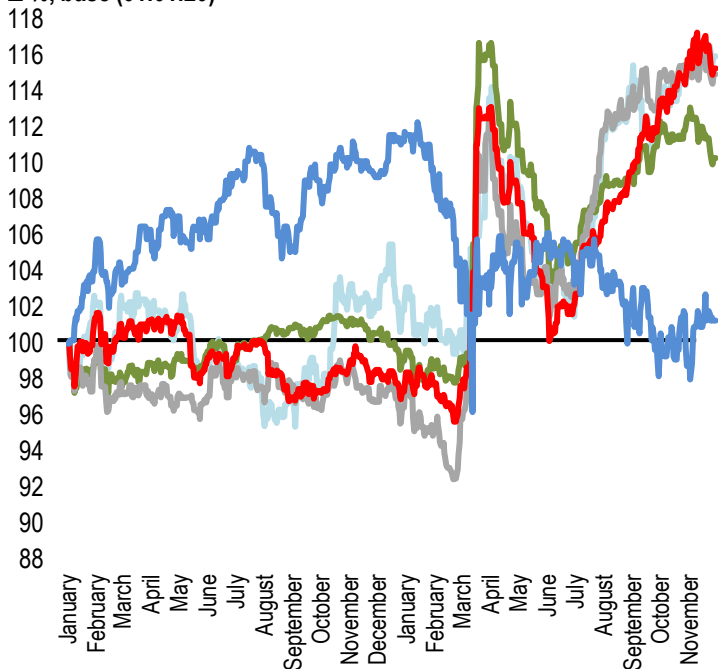
Oil quotes settled on Wednesday at the highest level since early March. The price growth driver was the data from the US Department of Energy, which showed an unexpected decrease in oil reserves in the country at the end of last week. In addition, the oil prices were supported by the news of active purchase of oil to be delivered in January by Chinese and Indian refineries, which may indicate high demand in Asian countries.

The price of February Brent futures on the London exchange ICE Futures rose 0.4% to \$47.96 a barrel by 15:30 o'clock, Nur-Sultan time, on Friday. The exchange rate of the US dollar against the Russian ruble on the Moscow Exchange by this time climbed 0.2% to settle at RUR75.8685.

The value of the Russian ruble lost KZT0.0343 (-0.61%) to finish at KZT5.5902. The Chinese yuan fell by KZT0.7000 (-1.07%) to KZT65.5000.

FX rates

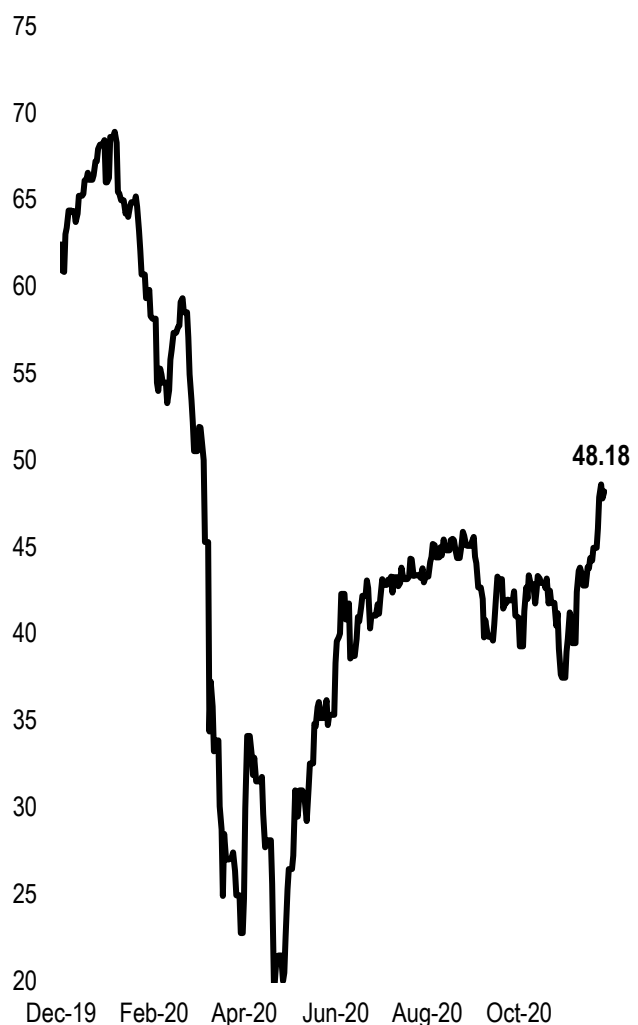
Δ %, base (01.01.20)



	Price	Δ 7d, %	Δ 30d, %	Δ 2020, %
— GBPKZT	564.28	-0.2	0.8	12.9
— USDKZT	422.40	-1.3	-1.7	10.8
— EURKZT	502.78	-0.7	-0.9	17.8
— CNYKZT	64.24	-1.1	0.5	17.7
— RUBKZT	5.59	0.0	-0.4	-9.4

Note: The chart and the table are based on the official market rates of the NBK. NBK rates may differ from KASE rates.

Brent oil USD/barrel





Global indices

Commodities market

27.11.2020

Name	Value	Trend %			Futures	Name	Price	Trend %		
		7d	1m	1y	7d			7d	1m	1y
S&P 500	3 638,35	1,7	11,2	15,4	2,3	Oil (Brent)	48,18	4,6	23,2	-24,6
Dow Jones	29 910,37	1,1	12,8	6,2	2,3	Oil (WTI)	45,53	5,7	21,8	-21,6
RTS	1 302,43	3,6	20,8	-9,5	3,3	Natural gas	2,84	4,9	-5,1	13,7
MICEX	2 285,53	0,0	0,0	0,0	3,3	Copper	339,95	4,3	10,9	27,1
Hang Seng	26 894,68	1,5	8,8	0,0	1,8	Iron	930,50	2,0	10,3	39,3
SS CSI 300	4 980,77	-0,5	5,1	29,0	0,5	Gold	1 787,79	-2,7	-4,8	22,8
Euro Stoxx 50	3 527,79	1,9	19,0	-4,8	2,0	Silver	22,55	-4,6	-3,5	33,4
FTSEuroFirst	3 899,50	1,3	18,7	-11,2	1,3	Wheat	596,50	-0,4	-2,0	12,9
FTSE 100	6 367,58	0,5	14,1	-14,1	0,4					
KASE	2 587,10	0,6	5,0	11,2						

Economic calendar

Currency

Forecast

Previous

12/01	PRC: Caixin Manufacturing PMI (Nov)	CNY	53.5	53.6
12/01	Germany: Manufacturing PMI (Nov)	EUR	57.9	57.9
12/01	EU: Consumer price index (CPI) (y/y) (Nov)	EUR	-0.2%	-0.3%
12/02	USA: Crude oil reserves	USD	0.127M	-0.754M
12/03	USA: Number of initial claims for unemployment benefits	USD	770K	778K
12/04	USA: unemployment rates (Nov)	USD	6.8%	6.9%

Note: the calendar contains the most significant economic events of the current week according to KASE analysts opinion

B – billions
M – millions
K – thousands

Kazakhstan statistics

Value

As of

Beginning 2019

Annual inflation	7.1%	08/01/20	5.3%
Gross international reserves of NBK, USD bn	31,561	06/01/20	30,927
Reserve money, KZT bn	8,428.3	06/01/20	5,995.7
Money supply, KZT bn	22,438.2	06/01/20	20,813.4

Kazakhstan credit ratings

Rating

Date

Previous

S&P Global

BBB- stable

09/10/18

BBB- stable

MOODY'S

Baa3 stable

07/26/17

Baa3 stable

FitchRatings

BBB stable

09/28/18

BBB stable

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Corporate Events Calendar of KASE listed Companies

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